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Subject: EARTHQUAKES: Texas commissioners might change rules to avoid drilling-linked

quakes

EARTHQUAKES: Texas commissioners might change rules to avoid drilling-linked quakes

Mike Soraghan, E&E reporter

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The elected officials who oversee oil and gas operations in Texas are revising rules about waste fluid injection wells to deal with ones that might trigger earthquakes, a top official told state legislators yesterday.

"They know they need to take action on those rules sometime in the next six to seven months," said Milton Rister, executive director of the Texas Railroad Commission, referring to the three commissioners who run the agency.

But in his remarks to the state House Energy Resources Subcommittee on Seismic Activity, Rister didn't say what changes the commission might make. Despite its name, the commission oversees oil and gas but doesn't regulate railroads.

Rister said railroad commissioners possess the authority they need to deal with a well that is found to be causing earthquakes and don't need additional powers from the Legislature. But he stressed that the decision would be in the hands of the elected officials, not staff.

"The commissioners have the authority to act," Rister said at the hearing in Austin. "But it would have to go up to the commissioners. The rules are not currently set up for me or the director of oil and gas to shut down a well without due process. It would have to go to a hearing."

Yesterday's hearing was called after an area near Azle, Texas, northwest of Fort Worth was rattled by more than 30 earthquakes, starting in November.

Many residents blame the injection wells used to dispose of wastewater from drilling and hydraulic fracturing, or fracking. Scientists have known since the 1960s that injecting fluid into the ground can cause faults to shift. Regulators have shut down injection wells in Ohio and Arkansas after earthquakes.

Homeowners around Azle were frustrated with the state's slow response to the problem. About 850 people turned out for a January meeting with commission staff and Commissioner David Porter (<u>EnergyWire</u>, Jan. 3).

The authority of the commission to deal with injection has been a point of confusion in the debate about the man-made quakes. Earlier this year, a commission spokeswoman said agency rules addressed only water pollution related to injection wells, so the commission lacked authority to shut down such a well. Rister's comments appeared to clarify that staffers could not shut down a well on their own but could do so only after a vote of the commission. That could take weeks, if not months.

The Railroad Commission is the oldest regulatory agency in Texas. The three commissioners, who raise most of their campaign money from the oil and gas industry, serve six-year terms. The job is known as a springboard to higher office in the state.

Rister stressed that the commission would need to move cautiously because of the importance of the oil and gas industry to Texas.

"Texas' economy depends largely on the oil and gas industry," Rister said. "That's part of why Texas is where everyone wants to be. Other states might be moving more quickly than us. They're not nearly as dependent on the oil and gas industry, and if they make a mistake, it won't cause as many problems."

Oklahoma officials have begun a "traffic light" system for dealing with earthquakes near disposal wells. They limited injection last year at one well (the "yellow light"), which then halted operations. Ohio officials enacted a series of regulations after an injection well was linked to earthquakes around Youngstown. Arkansas banned injection in a broad swath of the state after injection was linked to an earthquake "swarm."

Commission seismologist David Craig Pearson, hired in the wake of the Azle earthquakes, said yesterday that the agency has asked for additional information from the operators of seven wells in the area.

Researchers from Southern Methodist University and the U.S. Geological Survey have placed instruments around Reno and Azle. In a <u>progress report</u> issued last week, the researchers said the more sensitive instruments have recorded 300 small earthquakes since December (<u>EnergyWire</u>, April 2).

While Rister didn't say how the commissioners might change injection rules, others had some suggestions at the hearing. Scott Anderson of the Environmental Defense Fund said the oil and gas regulators should have authority to shut down wells that are causing earthquakes and do so quickly. He also said the state should require more frequent and detailed data collection.

Cyrus Reed of the Lone Star Chapter of the Sierra Club noted that EPA's rules on injection wells are geared toward protecting groundwater, not preventing earthquakes.

"I doubt you're going to see EPA come out with regulations on seismicity," Reed said. "The states have to lead."